Department of the Navy

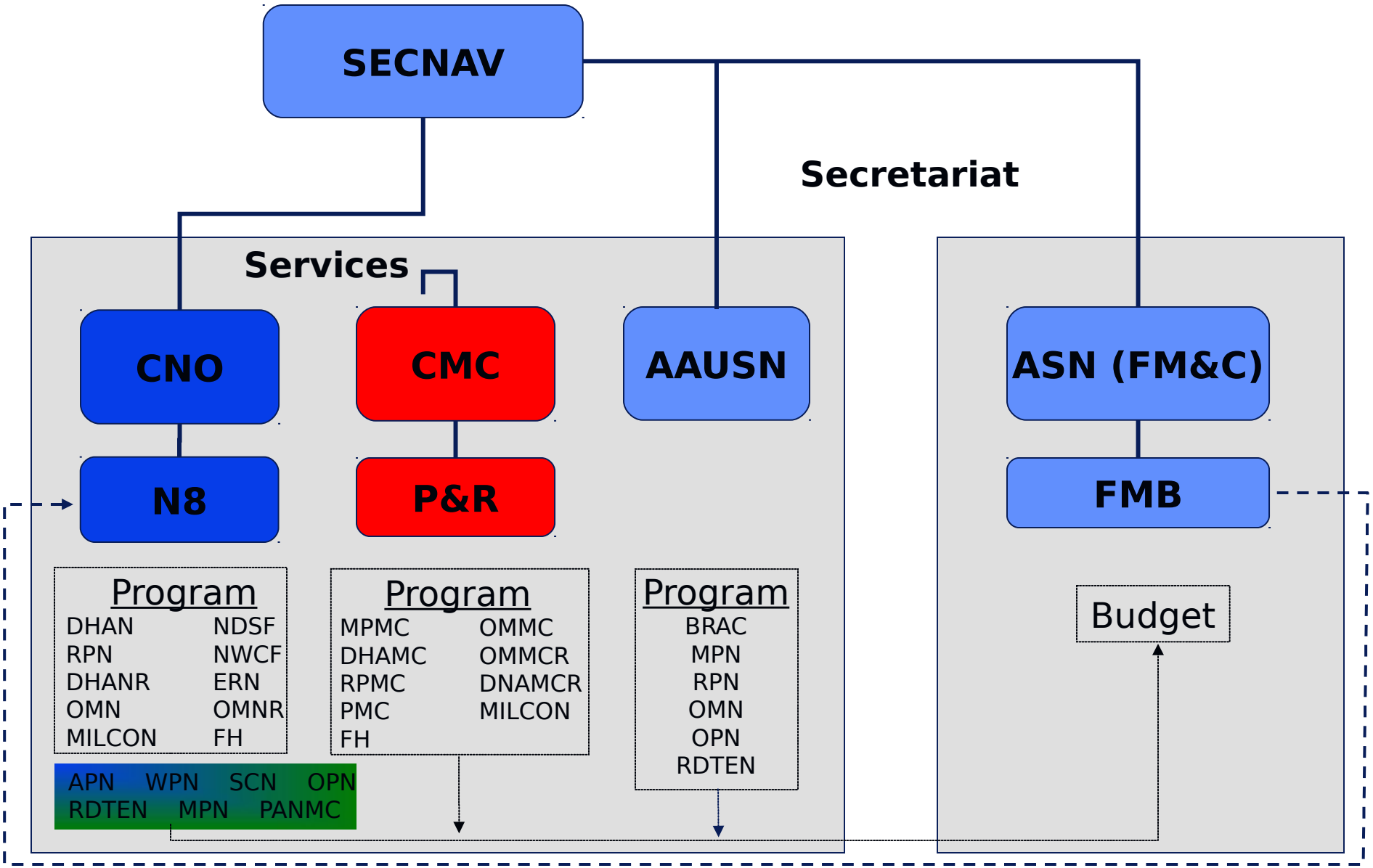
Office of the Assistant Secretary of the Navy
(Financial Management & Comptroller)

FY 2012 Program/Budget Review

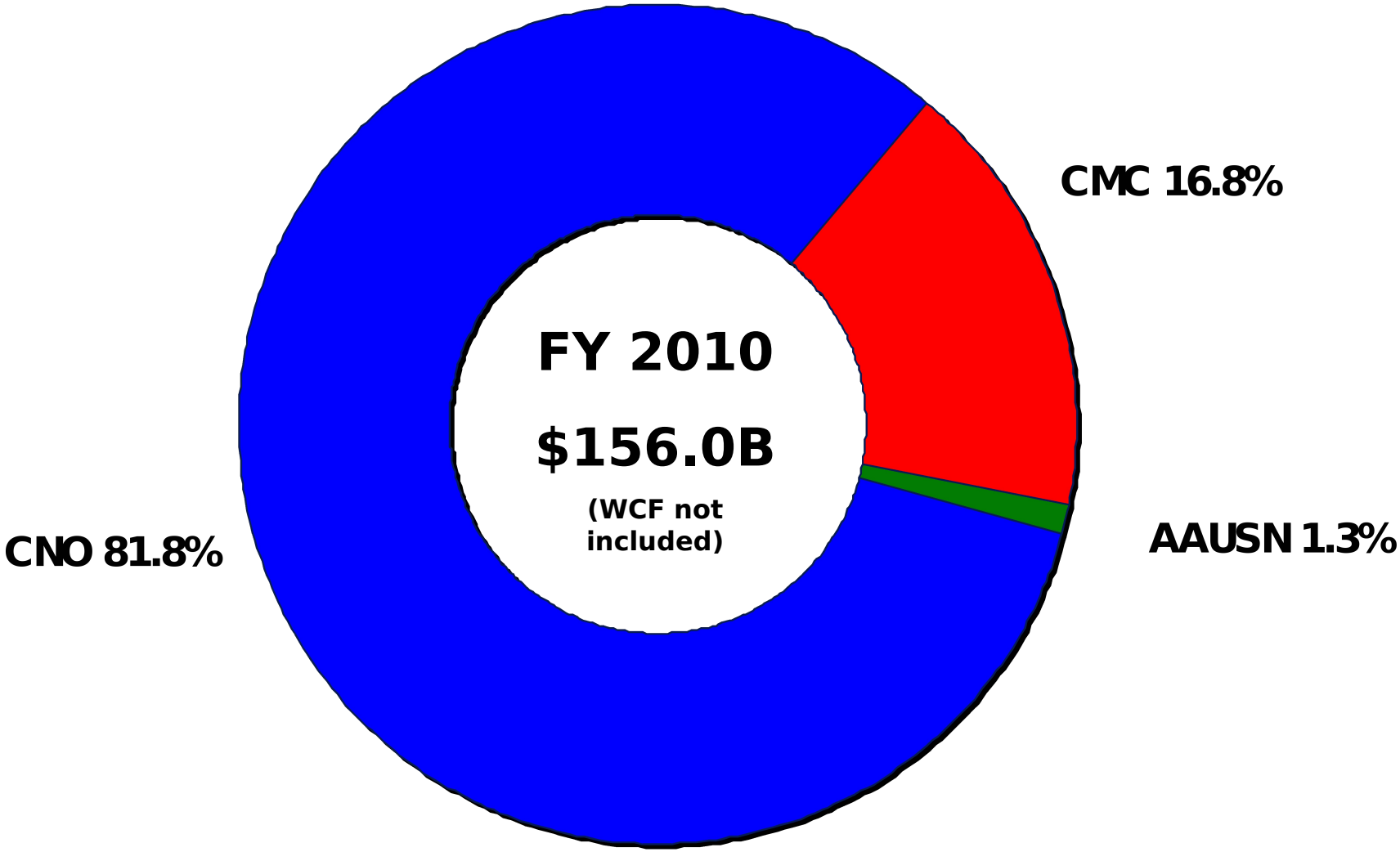
Outline

- DON Overview
  - DON FY 2012 Focus Areas
- DON PPBE Overview
- Programming vs. Budgeting
- Integrated Calendar
  - Leadership Updates / Decision-making
- Navy Program Development
  - Navy FY 2012 Priorities
- Marine Corps Program Development
  - MC FY 2012 Priorities
- FMB Budget Review
- OSD Concurrent Process
- Questions

Department of the Navy (DON)



Appropriated Funds Distribution (FY 2010)



FY 2012 DON Focus Areas

Zero real growth across the FYDP

Energy Initiatives

Unmanned Aerial Systems

Baseline Readiness Assumptions

Human Capital

Ground Equipment Modernization

Shipbuilding and Strike-Fighter Management

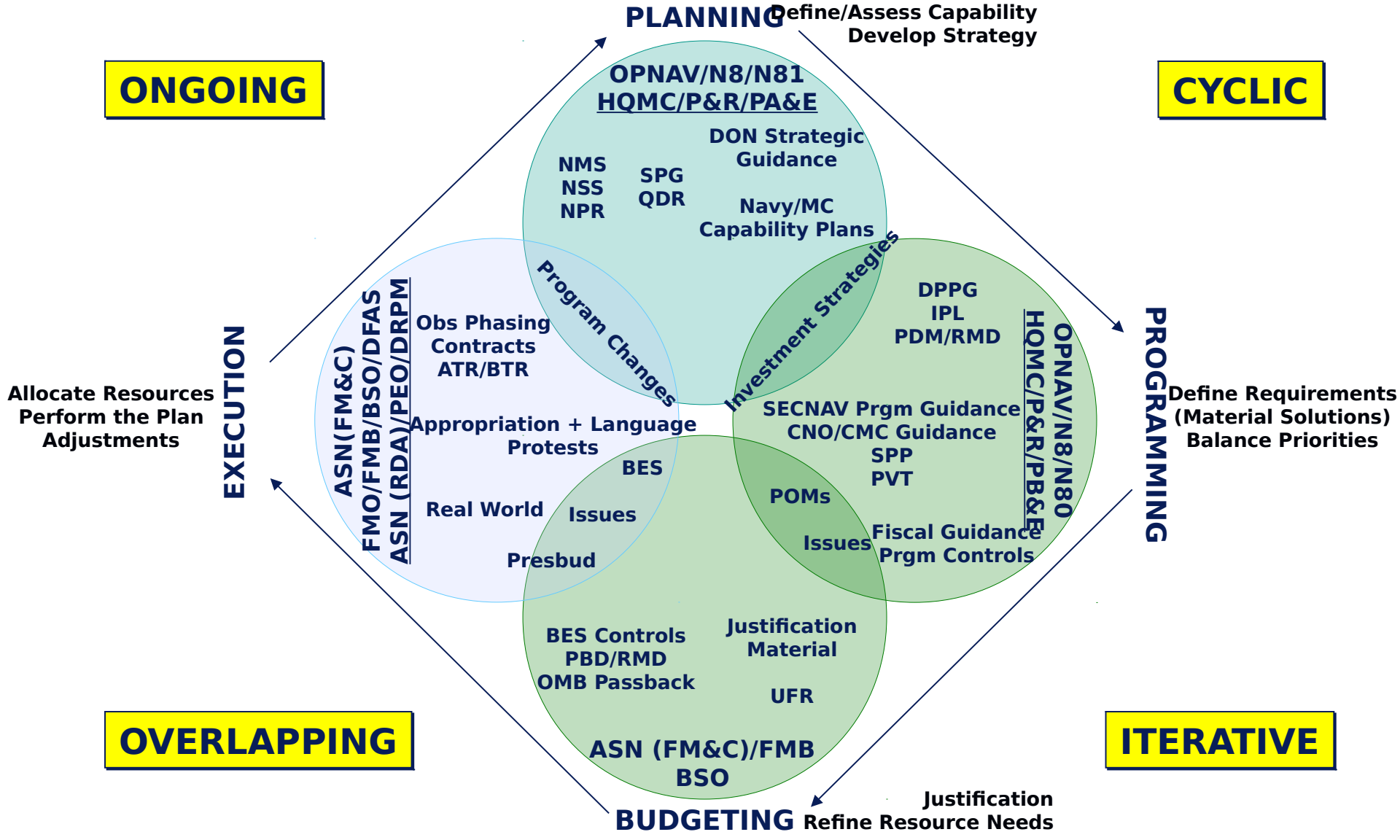
Quadrennial Defense Review (QDR) and Nuclear Posture Review (NPR)

Overseas Contingency Operation (OCO) funds to Baseline

Uncover FY 2016

DON PPBE Overview

" … the best mix of forces, equipment, and support attainable within fiscal co

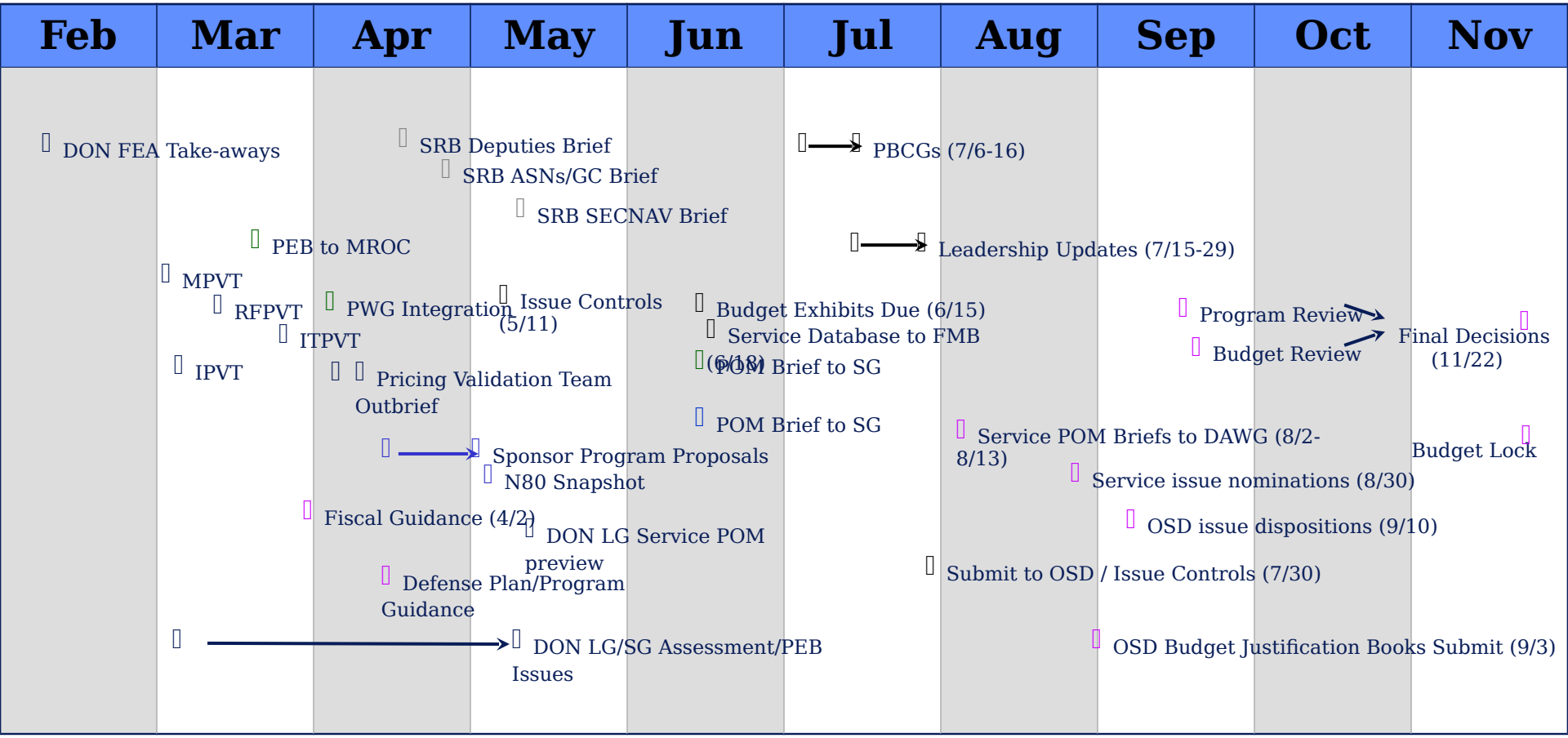


Programming vs. Budgeting

Program	Budget
Priorities, Risk and Balance	**Pricing, Schedule and Consistency**
Provide Capability Solutions	**Provide defendable/executable Budget**
Total Program Funding	**Precise pricing and phasing**
FYDP perspective	**Budget Year perspective**
Iterative	**Analyst driven**
POM	**BES, President's Budget**

Although Programming and Budgeting have different perspectives they have become increasingly concurrent, improving timeliness and enhancing the quality of decisions

DON Program/Budget Review 2012 Timeline



Legend
- AAUSN
- Marine Corps
- Navy
- DON
- OSD/OMB

Review

Leadership Updates and Decision-making

Pricing Validation Team (PVT): Validate Revolving Fund, IT, Investment, and Model Pricing. Led by FMB Divisions (1, 2, 4) with appropriate representation from Resource Sponsors, Budget Submitting Offices (BSO), OPNAV, HQMC, and Assistant Secretaries of the Navy (ASN).

Secretariat Review Board (SRB): ASNs, General Counsel, and Deputy Under Secretaries of the Navy (DUSN).

Review the complete financial posture of the Secretariat and make resourcing recommendations to the Under Secretary of the Navy (USN) and Secretary of the Navy (SECNAV).

Program Budget Coordination Group (PBCG): Chaired by FMB with appropriate representation by stakeholders. Review/resolve program/budget issues not resolved at the FMB Division level. Unresolved issues forwarded to DON leadership.

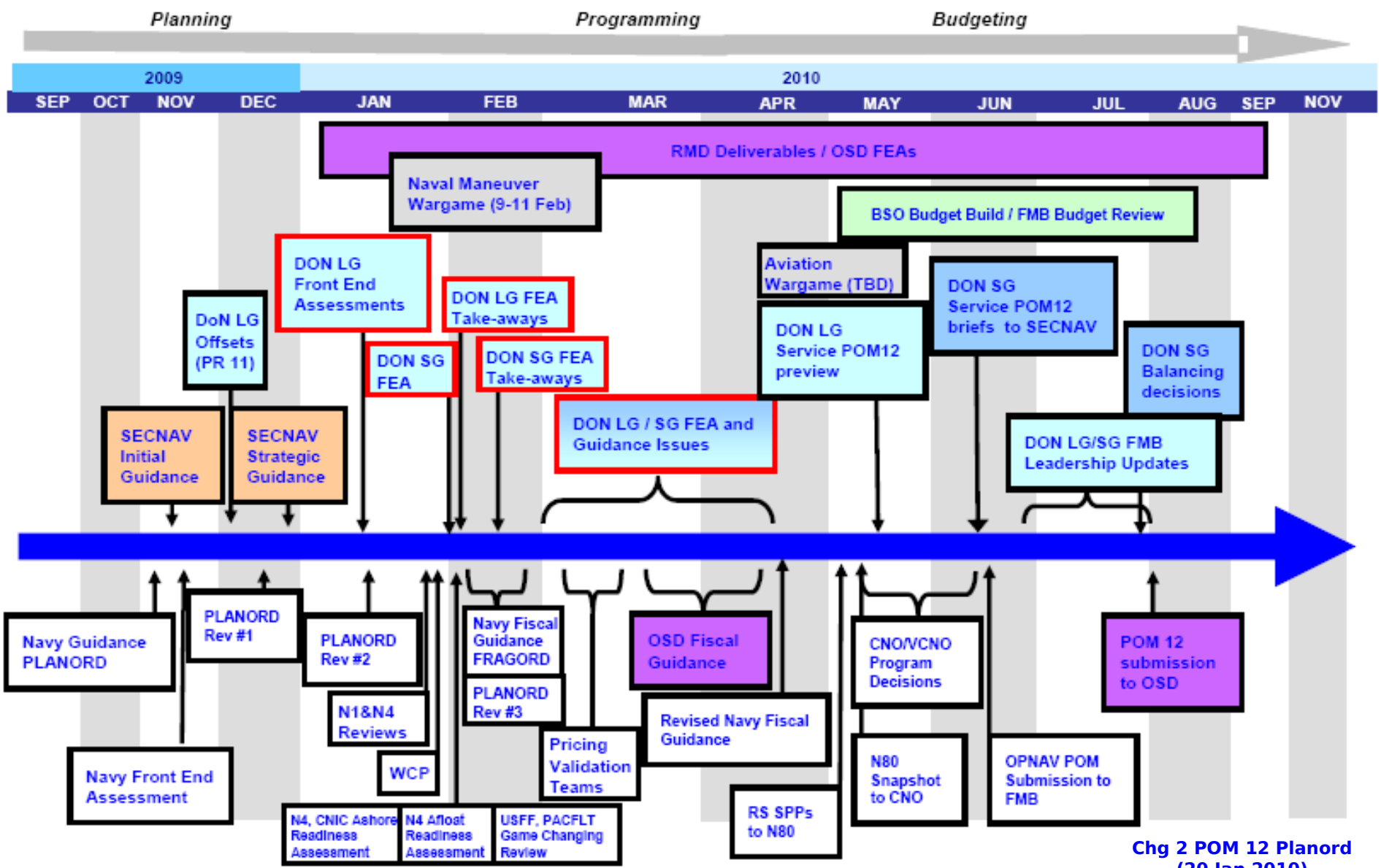
Large Group (LG): USN, Vice Chief of Naval Operations (VCNO), Assistant Commandant of the Marine Corps (ACMC), ASNs, General Counsel, DUSNs, and Director, Office of Program Appraisal (OPA).

Resolve or forward to the Small Group, with recommendations, major program/budget issues.

Small Group (SG): SECNAV, USN, Chief of Naval Operations (CNO), and Commandant of the Marine Corps (CMC).

Make decisions on program/budget issues, provide more specific guidance, or consider viability of other innovative initiatives.

Programming - Navy



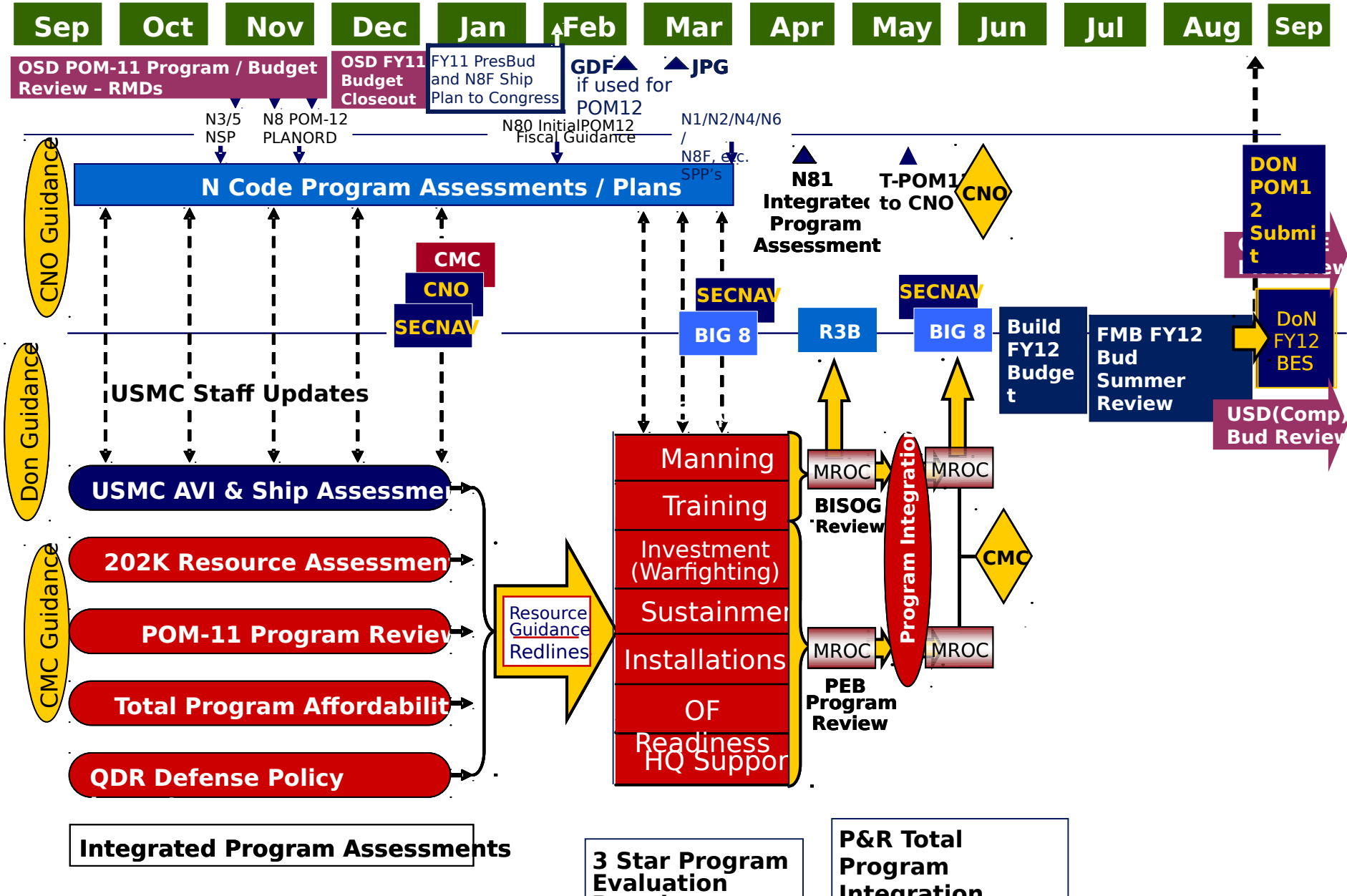
Chg 2 POM 12 Planord
(20 Jan 2010)

Navy Priorities

POM 12
PLANORDS/FRAGORDS

- Balanced Navy Program that wins our Nation's wars and deters future conflicts
- Shipbuilding and Aviation Plans
- Information Dominance and FLEETCYBERCOM/10th Fleet
- Quality of life / quality of service for sailors
- Current operations and platform maintenance readiness
- Total Ownership Cost Reduction
- Energy Efficiency

Programming – Marine Corps



Marine Corps Priorities

- Maintain 202K Force

- Fund Energy Transformation:
  - Facilities - DON & Statutory mandates (Including Executive Orders and Congressional Mandates)

- Sustain Quality of Life:
  - Maintain 2+0 Bachelor Enlisted Quarters by FY14
  - Staff and Equip New Child Development Centers

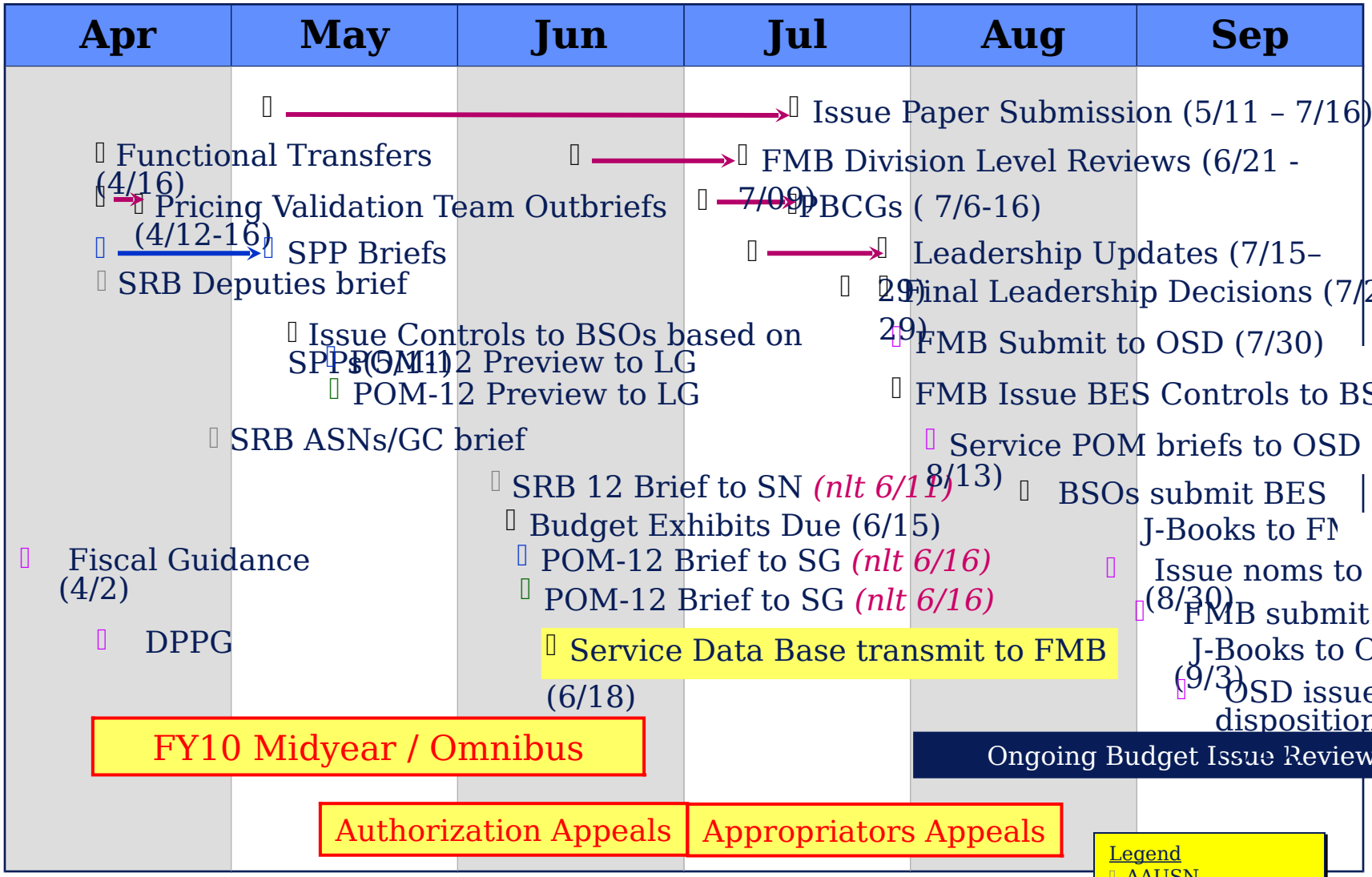
- Fund Key Training Initiatives:
  - Fund small unit training (Combat Hunter/Infantry Immersive Trainer/ Squad Immersive Training Environment (SITE)

- Preserve OSD Mandates:
  - OCO-to-Base (Depot Maintenance/CREW)
  - Guam Training

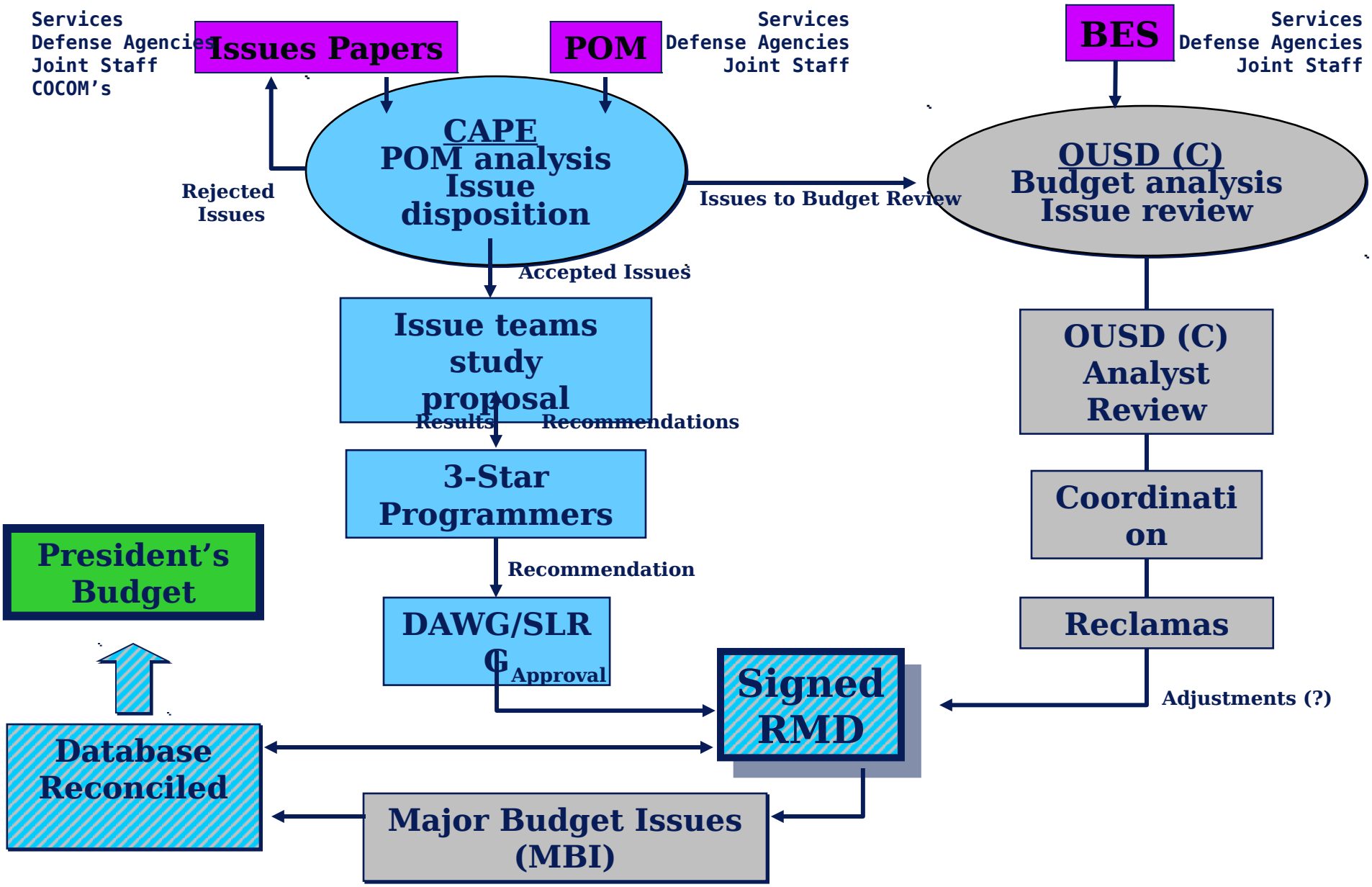
CMC Guidance Pillars

- Achieve Victory in the Current Fight
- Enhance and Modernize Equipment Capability
- Train and Educate the Force
- Maintain 202K End Strength and Support Quality of Life

FMB Budget Review



OSD Program-Budget Review (PBR) Process



Summary

- FY 2012 Program/Budget build is a POM year. Single-year budget and five years FYDP.

- DON Programmers – OPNAV, HQMC, AAUSN

- DON Budget Review – FMB

- DON PPBE process is iterative, ongoing and aligned with OSD process

- DON Program/Budget reviews overlap to improve timeliness and enhance decisions

- DON decisions are made at the lowest appropriate level, and generally in a teaming forum

Questions